

Module: Introduction

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0.1

Introduction

Please give a general description and introduction to your organization.

Allied Electronics Corporation Ltd (Altron - Listed on the JSE) through its principal subsidiaries, Allied Technologies Ltd, Bytes Technology Group (Pty) Ltd and Power Technologies (Pty) Ltd, is invested in the telecommunications, multi-media, information technology and power electronics industries. (www.altron.com - www.altron.com/iar2013/ourcomp/orgview/busmodel.asp)

- Altech (61% owned by Altron and listed on the JSE) is a separately listed investment holding company on the JSE, whose business spans the telecommunications, multi-media and information technology (TMT) sectors. The group is driven by a strong focus on providing customers with value-added products, services and solutions through the convergence of TMT. (www.altech.com - www.altron.com/iar2013/groupops/altech.asp)
- Bytes (100% owned by Altron) is the largest South African-owned ICT company in Africa, offering a wide range of products, technical skills and specialised services that support enterprise-wide IT infrastructure and telecommunications in a wide range of industries. The company has an extensive footprint in South Africa and Africa, and a substantial operation in the UK. (www.bytes.co.za - www.altron.com/iar2013/groupops/bytes.asp)
- Powertech (100% owned by Altron) is one of South Africa's leading suppliers of electrical and electronic equipment. Its four operating divisions – Cables, Transformers, Batteries and System Integrators – comprise a variety of individual operations which specialise in the manufacturing and delivery of world-class products, services, expertise and energy solutions to address diverse needs for electrical and power equipment in South Africa and beyond. (www.powertech.co.za - www.altron.com/iar2013/groupops/powertech.asp)

Sustainable growth is a hallmark of Altron's strategic vision and is a tangible indicator of the success of our long-term strategy. Sustainable growth differs from market-related growth as it is driven by Altron's long-term commitment to:

- Continually improve internal efficiencies,
- Grow organically through intelligent technology partnerships,
- Invest in our people and our businesses; and
- Grow by seeking appropriate acquisitions in our chosen sectors.

Sustainable growth is underpinned by values and people and reflected in the care we take with our customers and our communities – in equal measure.

This process is a continuation of the previous year's engagement process in order to help us to refine and keep up to date our four core operational themes of our sustainability strategy, that we refer to as, "Our DNA, Our Future", and points to the fact that sustainability is intimately woven into everything we do and everything

we are as a business:

1. **Financial sustainability** - with the core objective of improving profitable revenue growth through expansion,
2. **Human capital** - with the core objective of investing in our biggest asset – our people,
3. **Products and services** - with the objective to lead through innovation by embracing technology and market shifts; and
4. **External relationships** - with the objective to build and maintain strategic alliances and key partnerships.

Following the conclusion of a number of acquisitions, our focus is to extract the synergies and returns and while we concentrate on cost-efficiencies and working capital management we will build on the foundation established over the prior years to ensure our future sustainability.

0.2

Reporting Year

Please state the start and end date of the year for which you are reporting data.

Enter the period that will be disclosed.

Thu 01 Mar 2012 - Thu 28 Feb 2013

0.3

Reporting Boundary

Please indicate the category that describes the reporting boundary for companies, entities, or groups for which water-related impacts are reported.

Companies, entities or groups over which financial control is exercised

0.4

Exclusions

Are there any geographies, facilities or types of water inputs/outputs within this boundary which are not included in your disclosure?

Yes

0.4a

List of Exclusions

Please describe any exclusion(s) in the following table.

Exclusion	Please explain why you have made the exclusion
Certain overseas facilities	Water data was not readily available for certain overseas facilities for the reporting period. Due to the size and the type of facilities, they were deemed not material to the Altron group.
Certain geographies	Water data was not readily available for certain overseas facilities for the reporting period. Due to the size and the type of facilities, they were deemed not material to the Altron group.
Certain water inputs/outputs	Data was not readily available for certain water inputs and outputs, in particular details around recycled, re-used, and water disposal for both local and international operations.

Module: Water-Governance

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1.1

Does your company have a water policy, strategy or management plan?

No

1.1a

Please describe your policy, strategy or plan, including the highest level of responsibility for it within your company and its geographical reach.

Country or region	Description of policy, strategy or plan	Position of responsible person
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1.1b

Does the water policy, strategy or plan specify water-related targets or goals?

1.1c

Please describe these water-related targets or goals and the progress your company has made against them.

Country or region	Category of target or goal type	Description of target or goal	Progress against target or goal
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1.1d

You may explain here why your company does not have a water policy, strategy or plan and if you intend to put one in place.

Altron's position paper on Climate Change for 2012/2013 (see attached) touches on water impacts and highlights the group's recognition that climate change has an impact on the group's operating environment. In essence it addresses the fact that Altron will be looking into new methods of conservation, storage, re-use and recycling of water within its relevant operations. Altron has however not yet formalised a group wide water policy or management plan. However, steps have already been taken in this regard. Since 2011, Altron has held "Water and Waste Footprint workshops" focusing on topics such as the group's water quality, water use, water recycling and water reduction targets. Targets were set specifically for municipal water sourced to be reduced overall by 1.88% per year over 3 years, and on municipal waste sent to landfill to be reduced by 2.28% per year over a 3 year period.

Although a commitment was made in our 2012 integrated annual report to develop a water policy & management plan, we were not able to do so due to other

immediate issues. However, since then the group has;

- put into place water reduction targets for the 2012/2013 financial year for all material operations,
- conducted a national, regional and local biodiversity assessment of the South African operations by the EWT (Endangered Wildlife Trust) - this also included an emphasis on the impact of the group's locations on water resources; and
- continued to focus on reducing costs, managing water consumption and water recycling, particularly in water-intensive manufacturing processes such as those employed by Powertech Transformers and the Battery Group. Altron endeavours to control discharge and has implemented in some of its operations water monitoring processes to control potential impacts of its operations on surface and groundwater sources.

Water is fundamentally important for Altron, not just from an environmental compliance perspective, but also because water is used extensively in manufacturing processes at some of its operations (e.g. Aberdare Cables, Powertech Transformers and Willard Batteries), and where possible savings should be made from an environmental as well as a cost point of view.

The intention is to have a water & waste management policy document ready for implementation before our 2014 submission.

1.2

Do you wish to report any actions outside your water policy, strategy or management plan that your company has taken to manage water resources or engage stakeholders in water-related issues?

Country or region	Category of action	Description of action and outcome
South Africa	Direct operations	Action: Altech UEC currently has real time water metering in place. A checklist will be developed and used in the facilities department to assist with monitoring of leaks, plumbing irregularities and wastage that occurs. To ensure that this is being successfully implemented, quality assurance will be carried out on the checklist on a regular basis. Outcome: Increase in water consumption patterns awareness and pro-active management of water resources within the company and identify water savings opportunities.
South Africa	Direct operations	Action: At Altech Nupay a number of initiatives are being implemented for example; dual flush systems for sanitation in order to reduce water wastage. Staff is being trained, with a particular focus on kitchen staff, to conserve water and use it sparingly. An action plan is being developed for the site that will use grey water for the gardens. In line with this, a JOJO water storage tank is being implemented for rainwater harvesting that will also be used in the gardens. Outcome: Once completed, these initiatives will enable Altech Nupay to achieve its 3 year municipal water reduction target of 5%.
South Africa	Direct operations	Action: Bytes Document Solutions has installed 4 new waterless urinals with 5 more planned for the current year at its Isando offices. Outcome: Once installed, the site will have a total of 6 waterless urinals further improving water savings. This water saving mechanism will reduce discharge into sewers and the dependence on municipal water.
South	Direct	Action: In addition to increased awareness campaigns and monthly maintenance checks, Bytes People Solution implemented dual

Country or region	Category of action	Description of action and outcome
Africa	operations	flush toilets to decrease the volume of water used in the bathrooms and also reduce the discharge into the to sewers. Outcome: Combined with previous initiatives, Bytes People Solutions will be on track to meet its 3 year reduction targets of 10% use of municipal water.
South Africa	Direct operations	Actions: Following on from initiatives introduced in previous years which included daily water use monitoring, raising awareness on water issues and daily inspections and maintenance of taps, Aberdare Cables have introduced a number of new initiatives that will be rolled out going forward. They have now introduced individual water metering systems at all sites and is looking to introduce rain harvesting where possible to re-use in gardens or in sanitation facilities. An investigation is also currently underway to remove all invasive plant species and replace with indigenous plants where possible at various Aberdare group facilities. Finally, the Aberdare Engineering team is currently looking at an oil/water separation system that will allow the reuse of water minimising waste water disposal. Outcome: By implementing these initiatives, Aberdare will continue to improve water management to meet its 3 year reduction target of 10% on municipal water consumed.
South Africa	Direct operations	Action: Powertech TIS have reduced the amount of toilet water being flushed by inserting a 'full plastic bottle' into the toilet water tank. Also, all automatic irrigation timers are being removed thereby only watering gardens when required. In line with many other operations, rain harvesting will be implemented in the new year to re-use in gardens and/or sanitary facilities. Outcome: These new initiatives will assist Powertech TIS to decrease municipal water use by 10% over 3 years.
South Africa	Direct operations	Action: Powertech Transformers have installed leak detection systems on all pipelines while water from Acid Plant rinse tanks is currently being treated and cleaned before discharged into the sewer. In addition, the business is looking to replace old cisterns with new ones, introducing a dual flushing option. Furthermore, traditional taps are being replaced with push taps to save water. In order to meet a reduction target of 20%, Powertech Transformers will continue to look at ways and means of improving water use while successfully managing current initiatives. Outcome: Increased awareness in water management and pro-active identification of water reduction opportunities.
South Africa	Direct operations	Action: Powertech Transformers are currently targeting borehole water use. In addition to using borehole water for garden watering only, site is now also aiming to irrigate when required and avoid using the borehole system to water gardens every day. Outcome: It is anticipated that this mind-set will result in a decrease of borehole water use of 2%.
South Africa	Direct operations	Action: Powertech Batteries are currently treating waste water to acceptable standards that enable the site to discharge into the sewer system. Due to the success of this project, the site is now looking at using the treated water in the manufacturing process, thereby reducing the amount of municipal water used. Outcome: By combining these two initiatives, Powertech Batteries could achieve as much as a 2% reduction in municipal water use over 3 years.

Further Information

- Altron's Position on Climate Change 2012/13 - please see document attached.

Attachments

[https://www.cdproject.net/sites/2013/97/597/CDP Water Disclosure 2013/Shared Documents/Attachments/CDPWaterDisclosure2013/1.WaterManagementandGovernance/Positionclimatechange2012.pdf](https://www.cdproject.net/sites/2013/97/597/CDP%20Water%20Disclosure%202013/Shared%20Documents/Attachments/CDPWaterDisclosure2013/1.WaterManagementandGovernance/Positionclimatechange2012.pdf)

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2.1

Are any of your operations located in water-stressed regions?

Yes

2.1a

Please specify the method(s) you use to characterize water-stressed regions (you may choose more than one method).

Method used to define water stress	Please add any comments here:
Environmental assessment Regional government assessments or databases UNEP Vital Water Graphics	Environmental assessment & regional government assessments or databases: The EWT (Endangered Wildlife Trust) was commissioned by Altron to do a national/regional biodiversity assessment of all the group's facilities in South Africa. As part of this study all aspects of biodiversity was included as well as the potential impact on wetlands, freshwater areas, and other major water related ecosystems. The main source of biodiversity data used in this study was sourced from SANBI (South African National Biodiversity Institute) - available at: http://www.sanbi.org/links/bgis-biodiversity-gis . See the Executive Summary of this document below. UNEP Vital Water Graphics: Considered the scarce and stressed regions as illustrated on map by UN Water found at: http://www.unep.org/dewa/vitalwater/

2.1b

Please list the water-stressed regions where you have operations and the proportion of your total operations in that area.

Country or region	River basin	Proportion of operations located in this region (%)	Further comments
Kenya	Other: All regions	1 – 10	Water scarce - Water scarcity in so far as supply of clean water from local government - high dependence on groundwater sources (borehole).
Rwanda	Other: All regions	1 – 10	Water scarce - Water scarcity in so far as supply of clean water from local government - high dependence on groundwater sources (borehole).
India	Other: All regions	1 – 10	Water stressed - Water stress in so far as regular/constant supply of clean water from local facilities.
South Africa	Other: All regions	81 – 90	Water stressed - Irregular rainfall, water supply management at local government level, acid mine water, land management and other water related issues continues to be areas of concern - both natural and anthropogenic factors placing stress on the water supply of the country.

2.1a

Please specify the method(s) you use to characterize water-stressed regions.

Method used to define water stress	Please add any comments here:

2.1c

You may explain here why you are not able to identify which of your operations are located in regions subject to water stress and whether you have plans to investigate this in the future.

2.2

Are there other indicators (besides water stress) which you wish to report that help you to identify which of your operations are located in regions subject to water-related risk?

Yes

2.2

Are there other indicators (besides water stress) which you wish to report that help you to identify which of your operations are located in regions subject to water-related risk?

2.2

Are there other indicators (besides water stress) which you wish to report which help you to identify which of your operations are located in regions subject to water-related risk?

2.2a

Please list the regions at risk where you have operations, the relevant risk indicator and proportion of your total operations in that area.

Country or region	River basin	Risk Indicator	Proportion of operations located in this region (%)	Further comments
South Africa	Other: Port Elizabeth	Tightening of regulations	21-30	The operations in Port Elizabeth (Aberdare Cables & Battery Group) have been subjected to water restrictions for some time now and this in turn can have material impacts on business operations in that region. Therefore the reliance on groundwater as an alternative source increases. Due to low rainfall seasons since 2009 to 2012 water restrictions have been in place in the Port Elizabeth region. Dam levels have been lower than 35% which forced the local municipality to enforce extreme water restrictions. The only financial impact that we have experienced is in Port Elizabeth where water restrictions were imposed and the operations had to pay more for excess water used.

2.2a

Please list the regions at risk where you have operations, the relevant risk indicator and proportion of your total operations in that area.

Country or region	River basin	Risk Indicator	Proportion of operations located in this region (%)	Further comments
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2.2a

Please list the regions at risk where you have operations, the relevant risk indicator and proportion of your total operations in that area.

Country or region	River basin	Risk Indicator	Proportion of operations located in this region (%)	Further comments
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2.2b

You may explain here why you do not wish to report or why you do not use other indicators to identify which of your operations are located in regions subject to water-related risk.

2.2b

You may explain here why you do not use or wish to report other indicators to identify which of your operations are located in regions subject to water-related risk.

2.2b

You may explain here why you do not use or wish to report other indicators to identify which of your operations are located in regions subject to water-related risk.

2.3

Please specify the total proportion of your operations that are located in the regions at risk which you identified in questions 2.1 and/or 2.2.

30%

2.3

Please specify the total proportion of your operations that are located in the regions at risk which you identified in questions 2.1 and/or 2.2.

2.3

Please specify the total proportion of your operations that are located in the regions at risk which you identified in questions 2.1 and /or 2.2.

2.4

Please specify the basis you use to calculate the proportions used for questions 2.1 and/or 2.2.

Basis used to determine proportions	Please add any comments here
Water withdrawals	Proportions are based on the total volume of water withdrawn in kilolitres per facility as a percentage of the group's total reported water withdrawal (inclusive of municipal and groundwater sources).

2.4

Please specify the basis you use to calculate the proportions used for questions 2.1 and/or 2.2.

Basis used to determine proportions	Please add any comments here
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2.4

Please specify the basis you use to calculate the proportions used for questions 2.1 and/or 2.2

Basis used to determine proportions	Please add any comments here
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Further Information

Attached the executive summary section of the Altron National Biodiversity Assessment done by the EWT.

Attachments

[https://www.cdproject.net/sites/2013/97/597/CDP Water Disclosure 2013/Shared Documents/Attachments/CDPWaterDisclosure2013/2.RiskIndicators-Operations/Altron National Biodiversity Assessment Executive Summary.pdf](https://www.cdproject.net/sites/2013/97/597/CDP%20Water%20Disclosure%202013/Shared%20Documents/Attachments/CDPWaterDisclosure2013/2.RiskIndicators-Operations/Altron%20National%20Biodiversity%20Assessment%20Executive%20Summary.pdf)

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2.5

Do any of your key inputs or raw materials (excluding water) come from regions subject to water-related risk?

Yes

2.5a

Please state or estimate the proportion of your key inputs or raw materials that come from regions subject to water-related risk.

Country or region	River basin	Input or material	Proportion of key input or raw material that comes from region at risk (%)	Unit used for calculating percentage	Further comments
South Africa	Limpopo	Copper	31 – 40	Volume or weight of material purchased	PMC (Palabora Mining Company - Owned by Rio Tinto) is located in the Limpopo Province and is a key supplier of copper rod used in the manufacturing of cables at Aberdare Cables. Due to its proximity to the Kruger National Park & Olifants River, the mine is subject to a stringent water management regime. If the mine was negatively impacted by any issues with regards to the environment and production be limited or stopped, this could have a major impact on the group's ability to produce some of its key products. See PMC - Water Management Fact sheet attached.
South Africa	Other: Eastern part of SA (Plantations)	Paper	91 – 100	Volume or weight of material purchased	At Bytes Document Solutions, paper is a key product that is sold to the market and is primarily sourced from paper mills located in the eastern parts of South Africa from companies such as MONDI and SAPPI. The key consideration here is the sourcing of products that have been rated as harvested from FSC (Forest Stewardship Council) accredited forests and harvesting principles. In addition, aspects such as water used during production of paper and water discharge remains considerations for increased production cost - should the price of water increase - and potential for pollutants to enter the environment which could lead to the shutdown of paper mills - in the unlikely event that these pollutants could enter the natural river basin due to unforeseen events. This in turn has a direct impact on the group's supply chain and the ability to fulfil customer orders and the generation of revenue.
South Africa	Other: Central Parts of Gauteng	Steel	71 – 80	Volume or weight of material purchased	Steel is a major component for some of our manufacturing operations and with water being a part of the manufacturing process of steel, issues that are to be considered is water discharge and pollution of the environment. Similarly to the example given above on paper, the same applies for the group's steel suppliers - an increase in water pricing could lead to an increase in steel pricing and impact on product pricing on our side. Furthermore, in the unlikely event that pollutants from the steel manufacturer should enter the environment and river basins, the shutdown of these

Country or region	River basin	Input or material	Proportion of key input or raw material that comes from region at risk (%)	Unit used for calculating percentage	Further comments
					factories could negatively impact on our supply chain and the ability to fulfil customer orders and the generation of revenue.
China	Other: Unknown	Electronic Components	31 – 40	Volume or weight of material purchased	Electronic components used in our set-top boxes are primarily sourced from China and due to severe flooding in southern parts of the country has led to the disruption in the supply of these components, and we were forced to source (at an increase in costs) from an alternative supplier in order to fulfil customer orders.

2.5b

You may explain here why you are not able to identify if any of your key inputs or raw materials come from regions subject to water-related risk and whether you have plans to explore this issue in the future.

Further Information

- PMC (Palabora Mining Company) Water Management Fact sheet

Attachments

[https://www.cdproject.net/sites/2013/97/597/CDP Water Disclosure 2013/Shared Documents/Attachments/CDPWaterDisclosure2013/2.RiskIndicators-SupplyChain/PMC_factsheet_watermanagement.pdf](https://www.cdproject.net/sites/2013/97/597/CDP%20Water%20Disclosure%202013/Shared%20Documents/Attachments/CDPWaterDisclosure2013/2.RiskIndicators-SupplyChain/PMC_factsheet_watermanagement.pdf)

3.1

Is your company exposed to water-related risks (current or future) that have the potential to generate a substantive change in your business operation, revenue or expenditure?

Yes

3.1a

Please describe (i) the current and/or future risks to your operations, (ii) the ways in which these risks affect or could affect your operations before taking action, (iii) the estimated timescale of these risks, and (iv) your current or proposed strategies for managing them.

Country or region	River basin	Risk type	Potential business impact	Estimated timescale (years)	Risk management strategies
South Africa	Other: Not known	03. Physical: Increased water stress or scarcity	South Africa is generally regarded as a water stressed country. With water resources already under pressure in South Africa, climate change could lead to a further decline in the availability of water resources and the manufacturing and services industry could be more vulnerable to fluctuating water availability, precipitation patterns, altered groundwater levels and changing stream flow patterns. This can potentially affect water balances which could result in a shortage of the water supply available from rivers and boreholes. Moreover, this is set to happen simultaneously with socio-economic development which will increase the demand for clean water. The major overall effect of reduced water availability is the pressure it places on integrated water balances at Altron's operations (particularly the manufacturing and industrial operations). In certain portions of South Africa, the winter rainfall region is expected to become drier. Water shortages may lead to an increase in operational costs as reliance will be placed on	1 – 5	As the group's operations are located in an area where water is considered a scarce resource, Altron recognises that water availability may in future be constrained as a result of increasing industrial and community pressure on water supply and therefore needs to be conserved. Going forward, Altron will look to become an active participant in matters relating to water management in its areas of operation. This could be done through a number of means including discussing and training employees, local communities as well as continuous dialogue with local, regional and national government water departments. In developing a group water strategy, Altron intend to look at water use reduction initiatives and look at water supply vulnerability.

Country or region	River basin	Risk type	Potential business impact	Estimated timescale (years)	Risk management strategies
			municipal suppliers. It is said that should water shortages become more prevalent, water costs could be impacted by between 20 – 30%, directly affecting the group's revenue in that region.		
South Africa	Other: Central Gauteng	01. Physical: Declining water quality	Acid mine drainage and its impact on the water supply for Johannesburg and the surrounding areas is expected to impact on the availability and quality of potable water. With the majority of Altron's South African operations situated in the Johannesburg region, this can lead to a further decline in the availability of fresh water resources, for Altron operations and its surrounding communities.	Current	In developing a group water strategy, Altron will look to become an active participant in matters relating to water management in its areas of operation.
South Africa	Other: Not known	10. Regulatory: Regulatory uncertainty	In the National Development Plan 2030, the establishment of a national water-resources infrastructure agency is proposed. This agency is to address water resource management on a decentralised basis, with the involvement of local stakeholders. At this stage it is still unclear how these agencies would function and the potential impact on Altron's water requirements going forward.	Unknown	In developing a group water strategy, Altron will look to become an active participant in matters relating to water management in its areas of operation.

3.1b

Please explain why you do not consider your company to be exposed to any water-related risks that have the potential to generate a substantive change in your business operation, revenue or expenditure.

3.1c

Please explain why you do not know if your company is exposed to any water-related risks that have the potential to generate a substantive change in your business operation, revenue or expenditure, and if you have plans to assess this risk in the future.

3.2

What methodology and what geographical scale (e.g. country, region, watershed, business unit, facility) do you use to analyze water-related risk across your operations?

Risk methodology	Country or geographical scale
<p>As part of the annual stakeholder engagement process Altron's sustainability department engages with a number of the group's key stakeholders. This process is a continuation of the previous year's engagement process in order to help us to refine and to keep up to date our four core operational themes of our sustainability strategy, and points to the fact that sustainability is intimately woven into everything we do and everything we are as a business: 1. Financial sustainability - with the core objective of improving profitable revenue growth through expansion, 2. Human capital - the core objective of investing in our biggest asset – our people, 3. Products and services - our objective is to lead through innovation by embracing technology and market shifts; and 4. External relationships - does not only include our environment, but indicates all our external relationships. The objective of which is to build and maintain strategic alliances and key partnerships, addressing and anticipating client and customer needs, whilst protecting the environment and investing in the communities we operate in. By using a strategic risk methodology, risks are evaluated at operational level through: The identification of the risk universe which includes: • External forces; • Markets; • Strategic management processes; • Core management processes; • Resource management processes; • Alliances; • Outsourced service providers; • Core products; and • Customers. • Workshops are held with executive/operational management that will form the base to: • identify strategic risks; • decide on the impact of these risks; • assess the probability that they will occur; and • assess the perception of the effectiveness of the existing controls, revise controls if necessary • Risks should be evaluated in relation to the following parameters: • Risk area/category; • Impact; • Probability; • Inherent risk (pre control); • Control effectiveness; and • Residual risk (post control). The outcome of the assessment should enable the organisation to identify its 'Top 20' risks that could be ranked relative to each other, as well as establish a risk database containing a 'complete' list of risks facing Altron. This information is fed directly into the formulation of Altron's current business strategy, leading to the identification of four core objectives relating to the four core strategic themes.</p>	<p>Other: Company Wide</p>

3.3

Do you require your key suppliers to report on their water use, risks and management?

No

3.4

Is your supply chain exposed to water-related risks (current or future) that have the potential to generate a substantive change in your business operation, revenue or expenditure?

Yes

3.4a

Please describe (i) the current and/or future risks to your supply chain, (ii) the ways in which these risks affect or could affect your operations before taking action, (iii) the estimated timescale of these risks and, (iv) your current or proposed strategies for managing them.

Country or region	River basin	Risk type (to supplier)	Potential business impact (to responding company)	Estimate timescale (years)	Risk management strategies (by responding company)
Other: Asia	Other: Not known	14. Other: Product risk	Sourcing of electronic components could be negatively affected due to severe weather events, such as recent flooding in southern parts of China and parts of Japan. To the group's electronic manufacturing companies this could have a financial impact of up to R200,000 per hour and would delay production due to sourcing from alternative suppliers.	1 – 5	Revision of business continuity planning is taking place in order to identify necessary steps in mitigating risk which could include alternative suppliers and increase in the stocking of key components.
South Africa	Other: Regional	14. Other: Product risk	The sourcing of key input materials, e.g. copper, steel and paper, originates from water stressed or water scarce parts of South Africa, and due to the location of these suppliers next to environmentally sensitive or populous areas, the risk of pollution and subsequent actions to address this could have a major impact on the group's ability to produce its own products and to resell other key products. We are therefore dependant on these suppliers to implement stringent water management processes in order to	Unknown	Altron intends to bring into its overall supply chain engagement framework risk aspects such as the dependence on water sources by its key suppliers. This will form part of the group's sustainability strategy.

Country or region	River basin	Risk type (to supplier)	Potential business impact (to responding company)	Estimate timescale (years)	Risk management strategies (by responding company)
			ensure sustainable operations.		

3.4b

Please explain why you do not consider your supply chain to be exposed to any water-related risks that have the potential to generate a substantive change in your business operation, revenue or expenditure.

3.4c

Please explain why you do not know if your supply chain is exposed to any water-related risks that have the potential to generate a substantive change in your business operation, revenue or expenditure, and if you have plans to assess this risk in the future.

Page: Water-4-Impacts

4.1

Has your business experienced any detrimental impacts related to water in the past five years?

Yes

4.1a

Please describe these detrimental impacts including (i) their financial impacts and (ii) whether they have resulted in any changes to company practices.

Country	Impact indicator	Description of impact	Response strategy
South Africa	Tightening of regulations	Due to low rainfall seasons since 2009 to 2012, water restrictions have been in place in the Port Elizabeth region. Dam levels have been lower than 35% which forced the local municipality to enforce extreme water restrictions. The only financial impact that we have experienced is in Port Elizabeth where water restrictions were imposed and the operations had to pay more for excess water used.	The use of groundwater sources and the recycling of water provided some relief, but ultimately additional water had to be purchased to ensure continued manufacturing.
Japan	Flooding	Due to the earthquake and subsequent tsunami in Japan in 2011, some of our electronics companies that are highly dependent on the sourcing of components from the Japan, where incapable of sourcing components which led to a significant delay in meeting production orders for customers.	Alternative suppliers had to be found which caused significant delays, but also prompted the company to revisit their business continuity plan in the context of their supply chain. This will also form part of the group's overall approach in ensuring a sustainable supply chain as part of our group sustainability strategy.

4.1b

Please explain why you do not know whether your business has experienced any detrimental impacts related to water in the past five years and if you have any plans to explore this in the future?

Page: Water-5-Opportunities

5.1

Do water-related issues present opportunities (current or future) that have the potential to generate a substantive change in your business operation, revenue or expenditure?

Yes

5.1a

Please describe (i) the current and/or future opportunities, (ii) the ways in which these opportunities affect or could affect your operations (iii) the estimated timescale and (iv) your current or proposed strategies for exploiting them.

Country or region	Opportunity type	Potential business impact	Estimated timescale	Strategy to exploit opportunity
South Africa	Cost savings	Altron sees a reputational advantage being gained if water conservation and water management are successfully integrated into business operations. This effect may translate to profit should clients and customers value products that have been created with minimal impact on water supply. In addition, Altron believes that there are cost savings associated with active water management (reduction in water use and water reuse/ recycling), although these cannot yet be quantified.	1 – 5	Utilise marketing material to communicate initiatives externally and internally. Altron intend to incorporate a roadmap for active water management into the water management strategy and water management plan. This will be done through our water & waste workshops, and setting of reduction targets.
Company-wide	Cost savings	Altron is currently in the process of planning how and which suppliers they need to engage with relating to environmental and sustainability risks. Through on going communication and engagement Altron plans to identify any potential water related risks within its supply chain.	1 – 5	Altron started in 2011 to engage with its stakeholders in one-on-one meetings to identify any potential environmental risk. This process will not only continue in the years to come but will be intensified. This approach will allow for the identification of water risk, among others, with initial focus on internal operations and a long term focus on supply chain. Altron intends to examine the sustainability of its supply chain through further engagement with key suppliers and to understand their risk in terms of resource dependence, including water, in the near future.

5.1b

Please explain why you do not consider water-related issues to present opportunities to your company that have the potential to generate a substantive change in your business operation, revenue or expenditure or supply chain.

5.1c

Please explain why you do not know whether water-related issues present opportunities to your company that have the potential to generate a substantive change in your business operation, revenue or expenditure.

Page: Water-6-tradeoffs

6.1

Has your company identified any linkages or trade-offs between water and carbon emissions in its operations or supply chain?

Yes

6.1a

Please describe the linkages or trade-offs and the related management policy or action.

Linkage or trade-off	Policy or action
Linkage	Although not investigated in sufficient depth, Altron believes that a decrease in water consumption within production processes would reduce pumping and cleaning of polluted water and thus have a negative impact on Scope 1 and Scope 2 emissions due to less reliance on the use of fossil fuels and/or electricity. At this stage no policy or action is in place in order to address this specific link.
Linkage	An increase in the dependency on borehole/groundwater would lead to an increase in the pumping of water, and subsequently electricity consumption (Scope 2). At this stage no policy or action is in place in order to address this specific link.

Module: Water-Accounting

Page: Water-7-Withdrawals

7.1

Are you able to provide data, whether measured or estimated, on water withdrawals within your operations?

Yes

7.1a

Please report the water withdrawals within your operations for the reporting year.

Country or region	River basin	Withdrawal type	Quantity (megaliters/year)	Proportion of data that has been verified (%)	Comments
Germany	Other: Not known	Groundwater	0.86	0	Primarily offices
Nigeria	Other: Other	Groundwater	0.20	0	Primarily offices
South Africa	Other: Port Elizabeth region	Groundwater	5.45	0	Manufacturing
Mozambique	Other: Not known	Wastewater	1.00	0	Primarily offices
Botswana	Other: Not known	Municipal water	6.41	0	Primarily offices
Spain	Other: Not known	Municipal water	13.68	0	Manufacturing
France	Other: Not known	Municipal water	0.08	0	Primarily offices
United Kingdom	Other: Not known	Municipal water	1.51	0	Primarily offices
India	Other: Not known	Municipal water	0.07	0	Primarily offices
Kenya	Other: Not known	Municipal water	3.91	0	Primarily offices & Data centre
Mozambique	Other: Not known	Municipal water	0.22	0	Primarily offices
Namibia	Other: Not known	Municipal water	0.39	0	Primarily offices
Portugal	Other: Not known	Municipal water	4.15	0	Manufacturing
Uganda	Other: Not known	Municipal water	0.49	0	Primarily offices
South Africa	Other: Regional	Municipal water	434.04	1-25	Combination of offices, data centres, manufacturing - both heavy and light

7.1b

Please explain why you are not able to provide data for water withdrawals.

7.2

Are you able to provide data, whether measured or estimated, on water recycling/reuse within your operations?

No

7.2

Are you able to provide data, whether measured or estimated, on water recycling/reuse within your operations?

7.2a

Please report the water recycling/reuse within your operations for the reporting year.

Country or region	River basin	Quantity (megaliters/year)	Proportion of data that has been verified (%)	Comments
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7.2a

Please report the water recycling/reuse within your operations for the reporting year.

Country or region	River basin	Quantity (megaliters/year)	Proportion of data that has been verified (%)	Comments
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7.2b

Please explain why you are not able to provide data for water recycling/reuse within your operations.

No data was reported during this year.

7.2b

Please explain why you are not able to provide data for water recycling/reuse within your operations.

7.3

Please use this space to describe the methodologies used for questions 7.1 and 7.2 or to report withdrawals or recycling/reuse in a different format to that set out above.

Water sourced is reported on a monthly basis in kilolitres, based on readings directly from water meters and invoices received from the local municipality. Data is captured into the group's environmental footprint reporting system by the various environmental champions at each of the group's operations.

7.3

Please use this space to describe the methodologies used for questions 7.1 and 7.2 or to report withdrawals or recycling/reuse in a different format to that set out above.

7.4

Are any water sources significantly affected by your company's withdrawal of water?

No

7.4a

Please list any water sources significantly affected by your company's withdrawal of water.

Country or geographical reach	River basin	Water source	Impact	Company action and outcomes
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7.4b

You may explain here why your company's withdrawal of water does not significantly affect any water sources.

As far as we are aware the group is not a significant consumer of water and have not been found to be a large impact user as per the environmental assessment done by the EWT (Environmental Wildlife Trust) earlier this year. See attached the executive summary.

Quoted from the assessment: *"A description of potential biodiversity impact risks of Altron operations are given in relation to species, vegetation, ecosystems, wetlands, catchments, protected areas and critical support areas.*

The direct impact risk of the Altron operations in South Africa on biodiversity, using fine-scale local, provincial and national spatial biodiversity assessment tools, were found to be generally of low impact, in terms of their spatial proximity to areas of high biodiversity or areas supporting services that maintain biodiversity, to protected areas, high priority wetlands and rivers, as well as having low operational impacts overall. Overall, none of the facilities have a very high impact, as most of them are based in existing transformed landscapes, where biodiversity has already been substantially reduced due to on-going pressures of urbanization and unsustainable resource use."

This full report is available online at http://www.altron.co.za/pdf/new/Altron_National_Biodiversity_Assessment_Final.pdf - however due to the file size (we are not able to attach this document).

Furthermore, the group's annual JSE SRI Index review for 2012 has indicated that the group's overall impact ranges from "low" to "medium" - Document attached.

"Environmental impact - Allied Electronics Corporation Ltd (Altron) (JSE) has been classified as having an overall medium environmental impact because it is involved in Electronic & electrical equipment (medium), Telecoms (low) and Support services (low).

The most significant direct impacts of the electronic & electrical equipment sector are water pollution and waste generation due to emissions containing heavy metals or other hazardous materials involved in the production processes. The sector is classified as medium impact."

7.4c

Please explain why you do not know if any water sources are significantly affected by your company's withdrawal of water.

Further Information

- Altron National Biodiversity Assessment Executive Summary
- 2012 JSE SRI Index review - Altron

Attachments

[https://www.cdproject.net/sites/2013/97/597/CDP Water Disclosure 2013/Shared Documents/Attachments/CDPWaterDisclosure2013/7.WithdrawalsandRecycling/JSE - Allied Electronics Corporation Ltd \(Altron\) profile.pdf](https://www.cdproject.net/sites/2013/97/597/CDP%20Water%20Disclosure%202013/Shared%20Documents/Attachments/CDPWaterDisclosure2013/7.WithdrawalsandRecycling/JSE%20-%20Allied%20Electronics%20Corporation%20Ltd%20(Altron)%20profile.pdf)
[https://www.cdproject.net/sites/2013/97/597/CDP Water Disclosure 2013/Shared Documents/Attachments/CDPWaterDisclosure2013/7.WithdrawalsandRecycling/Altron National Biodiversity Assessment Executive Summary.pdf](https://www.cdproject.net/sites/2013/97/597/CDP%20Water%20Disclosure%202013/Shared%20Documents/Attachments/CDPWaterDisclosure2013/7.WithdrawalsandRecycling/Altron%20National%20Biodiversity%20Assessment%20Executive%20Summary.pdf)

Page: Water-8-Discharges

8.1

Are you able to identify discharges of water from your operations by destination, by treatment method and by quantity and quality using standard effluent parameters?

Yes

8.1a

Please explain why you are not able to identify discharges from your operations by destination, treatment method , quantity and quality, and whether you have any plans to put in place systems that would enable you to do so.

8.2

Did your company pay any penalties or fines for significant breaches of discharge agreements or regulations in the reporting period?

No

8.2a

Please describe the location and impact of the discharge that was the subject of the significant breach(es), the associated fines and any actions taken to minimise the risk of future non-compliance.

Country or region	River basin	Impact	Fines and penalties	Company action and outcomes
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8.3

Are any water bodies and related habitats significantly affected by discharges of water or runoff from your operations?

No

8.3a

Please list any water bodies and associated habitats which are significantly affected by discharge of water or runoff from your operations.

Country or region	River basin	Water body	Impact	Company action and outcomes
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8.3b

You may explain here why your company's discharge of water does not significantly affect any water bodies or associated habitats.

Altron only has a few manufacturing operations that could affect water bodies and associated habitats, however Altron manages water discharge as a matter of legal compliance and borehole water quality assessment takes place at facilities where contaminated water is produced through industrial process. In cases where specific discharge has been identified as harmful or hazardous, it is disposed of by an appropriate hazardous waste service company. An example of this is Powertech Transformers who monitor municipal mains quality and process water quality. No significant legal non-compliances were noted for the year.

Most of Altron's operations are situated in city centres or industrial areas that are not located close or in the vicinity of sensitive water sources. Water discharge flows directly into the municipal water system.

8.3c

Please explain why you do not know if any water bodies and associated habitats are significantly affected by discharge of water or runoff from your operations.

Page: Water-9-Intensity

9.1

Please provide any available financial intensity values for your company's water use across its operations.

Country or region	River basin	Financial metric	Water use type (megaliters)	Currency	Financial intensity (Currency/mega-liter)	Please provide any contextual details that you consider relevant to understand the units or figures you have provided.
Company-wide	Other: Not known	Revenue	Withdrawals	ZAR (R)	52.47	Currency is measured in millions (R25 049 million revenue) divided by 477.37 mega litres = R52.47 million/ML

9.2

Please provide any available water intensity values for your company's products or services across its operations.

Country or region	River basin	Product	Product unit	Water unit	Water intensity (Water unit/product unit)	Water use type	Please provide any contextual details that you consider relevant to understand the units or figures you have provided.
Company-wide	Other: Not known	Not Applicable	Other: N/A	Other: N/A	0	Other: N/A	Due to the diverse nature of the group and the products and services that it provides, there is no specific or generic intensity measure utilised to measure water withdrawal. We are currently considering using the amount of hours worked as a potential indicator/metric.

Module: Sign Off

Page: Sign Off

Please enter the name of the individual that has signed off (approved) the response and their job title

Dr PW van der Walt, Group Alliances Manager